



NEW YORK
REGIONAL OFFICE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
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June 17, 2025

BY ECF

Hon. Jessica S. Allen
United States Magistrate Judge
District of New Jersey
Martin Luther King Building and U.S. Courthouse
50 Walnut Street, Suite 4015
Newark, NJ 07101

Re: *SEC v. Kenneth A. Welsh*, 21-cv-19387 (WJM/JSA) (D.N.J.)

Dear Judge Allen:

Plaintiff Securities and Exchange Commission (“SEC”) respectfully submits this status letter pursuant to the Court’s April 1, 2025 Order (Dkt. No. 26) and respectfully requests that the Court adjourn the conference scheduled for June 26, 2025, because Defendant Kenneth Welsh’s (“Welsh”) sentencing in his related criminal case has been postponed to July 2, 2025. Welsh is the sole defendant in this SEC action.

As background, on October 27, 2021, the United States Attorney’s Office for the District of New Jersey filed a parallel criminal complaint against Welsh, *United States v. Kenneth A. Welsh*, 23-cr-00932 (RK/LDW) (“the Criminal Case”). Welsh’s plea agreement was entered on November 20, 2024, and his sentencing had been scheduled for June 3, 2025. (Crim. Dkt. Entry, January 14, 2025.) On May 2, 2025, the court in the Criminal Case rescheduled Welsh’s sentencing to July 2, 2025. (Crim. Dkt. Entry, May 2, 2025.)

In this SEC action, the Clerk’s Office entered a default as to Welsh on February 24, 2022. (Dkt. No. 6.) However, given that Welsh has since signed a plea agreement in the Criminal Case, the SEC is working with Welsh, through his criminal defense attorney, David Holman, to resolve this civil matter by consent. The SEC and the Court will be better able to assess the appropriate monetary remedies against Welsh, including disgorgement and a civil penalty, following Welsh’s sentencing. See, e.g., *SEC v. Palmisano*, 135 F.3d 860, 864 (2d Cir. 1998) (“[W]e modify the judgment to provide that to the extent that [defendant] pays or has paid restitution as ordered in the criminal judgment, such payments will offset his disgorgement obligation under the present judgment.”).

Under these circumstances, the SEC respectfully proposes that it submit a further status report by July 17, 2025, and requests that the Court adjourn the conference currently scheduled for June 26, 2025, until after that date.

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Respectfully submitted,

/s/ Christopher J. Dunnigan
Christopher J. Dunnigan
Senior Trial Counsel

cc (by UPS): Kenneth A. Welsh
(by email): David Holman, Assistant Federal Public Defender